Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Message Text

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PAGE 01 NAIROB 05428 281248Z

44
ACTION AF-04

INFO OCT-01 SS-14 ISO-00 NSC-07 NSCE-00 SSO-00 INRE-00

USIE-00 CIAE-00 INR-10 NSAE-00 RSC-01 SCA-01 SCS-01

L-02 EB-03 PRS-01 H-01 COME-00 INT-01 TRSE-00 SP-02

OMB-01 DRC-01 /051 W
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O 281200Z JUN 74
FM AMEMBASSY NAIROBI
TO SECSTATE WASHDC IMMEDIATE 7805

C O N F I D E N T I A L NAIROBI 5428

LIMDIS

E.O. 11652: GDS
TAGS: BDIS, CPRS, KE, US
SUBJECT: KENYA GOVERNMENT EXPELS U.S. MINE OWNER

1. I CALLED ON VICE PRESIDENT MOI AT 0930 TODAY TO PROTEST EXPULSION OF SAUL. I MADE IT CLEAR THAT I WAS ACTING UNDER INSTRUCTIONS FROM DEPARTMENT OF STATE AND THAT WE ARE DISTRESSED OVER MANNER IN WHICH THIS EXPULSION HAD BEEN CARRIED OUT (WITH NO ADVANCE CONSULTATION WITH EMBASS AND ON ONLY FEW HOURS NOTICE) AND THAT I WAS PARTICULARLY CONCERNED OVER ADVERSE EFFECT HIS EXPULSION, COMING ON TOP OF THE RECENT EXPULSION OF ESSOR MANAGER SKANE, COULD HAVE ON FUTURE AMERICAN INVESTMENT AND BUSSINESS ACTIVITIES IN KENYA. I ALSO POINTED OUT THAT SAUL AND HIS FATHER WERE PUTTING CONSIDERABLE PRESSURE ON DEPARTMENT OF STATE, SEEKING CONGRESSIONAL SUPPORT, AND THAT THERE WAS DANGER THAT STOR INJURIOUS TO KENYAN/AMERICAN RELATIONS MIGHT APPEAR IN PRESS.

2. VICE PRESIDENT MOI EXPLAINED THAT PRESIDENT KENYATTA HAD ORDERED SAUL'S EXPULSION BECAUSE OF LETTERS WRITTEN
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PAGE 02 NAIROB 05428 281248Z

TO HIM BY GEORGE CRITICOS, GREEK BUSINESSMAN. (AS WE

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

HAVE PREVIOUSLY REPORTED, CRITICOS REPRESENTS PERSONAL
BUSINESS INTEREST KENYATTA FAMILY. MOI DID NOT, OF
COURSE, SAY THIS. IN FACT, IN REPLY TO MY DIRECT
QUESTION, MOI STATED CRITICOS ACTING ON HIS OWN BEHALF.)
MOI DID, HOWEVER, VOLUNTEER INFORMATION THAT HE, KOINANGE,
SHAKO AND OTHER ASSOCIATES HAD BEEN NEGOTIATING WITH
SAUL TO FORM COMPANY TO EXPLOIT MINE.

3. ASIDE FROM CRITICOS LETTERS (WHIC HE HAD APPARENTLY
NOT SEEN), MOI IMPLIED DEPORTATION WAS JUSTIFIED AS
POLICE FILES INDICATED THAT SAUL HAD BEEN ILLEGALLY
EXPORTING GEMS FROM KENYA AND THAT HE WAS IN POSSSESSION
OF THREE PASSPORTS-- AMERICAN, FRENCH AND ISRAELI.
I SAID I WAS SOMEWHAT PUZZLED AS TO WHY SAUL WOULD HAVE
FOUND IT NECESSARY TO EXPORT ILLEGALLY AS WE HAVE
SEEN COPY OF KENYAN GOVERNMENT DOCUMENT AUTHORIZING HIM
TO EXPORT PRECIOUS STONES. RE THREE PASSPORTS SAUL
ALLEGEDLY POSSESSES, I REMARKED THAT THIS IN AND OF
ITSELF IS NOT NECESSARILY ILLEGAL INSOFAR AS U.S. IS
CONCERNED PROVIDED HE HAS NOT TAKEN OATHS OF ALLEGIANCE
OF OTHER TWO STATES CONCERNED.

4 I THEN PRESSED MOI TO SEEK REVERSAL OF SAUL'S

DEPARTATION ORDER. HOWEVER, HE SAID ONLY PRESIDENT
KENYATTA COULD MAKE THIS DECISION AND "IF I GO
TO PRESIDENT ON THIS, PRESIDENT WILL SUSPECT ME OF
HAVING PERSONAL INTERESTS INVOLVED". WHEN I ASKED WHETHER
I SHOULD, THEREFORE, GO DIRECTLY TO PRESIDENT, HE
SUGGESTED THAT I FIRST SEEK APPOINTMENT WITH MINISTER
FOR NATURAL RESOURCES OMAMO WHO WOUOD BE FAMILIAR WITH
PRECISE REASONS WHY PRESIDENT ORDERED SAUL'S EXPULSION.
(WHEN I RETURNED TO EMBASSY I SOUGHT APPOINTMENT WITH
OMAMO BUT WAS TOLD HE WOULD BE OUT OF NAIROBI UNTIL
NEXT TUESDAY.)

5. ONLY POSITIVE THING
THAT CAME OUT OF MY CALL ON
MOI WAS HIS ASSURANCE THAT GOK WOULD CONSULT WTH EMBASSY
IN FUTURE WHEN AMERICAN CITIZENS ARE BEING CONSIDERED
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FOR EXPULSION BEFORE EXPULSION ORDER IS ISSUED.

6. COMMENT: BASIC PROBLEM WITH THIS (I BELIEVE STILL
POTENTIALY HIGHLY EXPLOSIVE) CASE IS THAT ALL INTERESTED
KENYA QUOTE BUSINESS UNQUOTE PARTIES ARE ALSO SENIORMOST
KENYAN GOVERNMENT OFFICALS. EVERYONE HAS HIS FINGER IN
THE STICKY HONEYPOT. ON THE ONE SIDE IS KENYATTA ET AL;
ON OTHER SIDE ARE POLITICAL SCARECROWS TRYING TO BE

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

BUSINESSMEN, NAMELY VP MOI, MIN NATURAL RESOURCES
OMAMO AND MINSTATE KOINANGE, PLUS FONMIN MUNGAI WHO
WISHES TO MAKE SEPARATE DEAL WITH KENYATT GROUP.
MAIN PROBLEM WHICH WE FACED WITH IS POSSIBLE SURFACING
OF TRUE STROY OF AVARICIOUS WHEELING-DEALING OF POLITICIANS,
WITH NATURAL OUTCOME WHEREIN KENYATTA FAMILY WINS BY
ARBITRARY TREATMENT OF SAUL AND HIS LEGAL CLAIMS, AND
BY THEIR TOTAL DISREGARD FOR BUSINESS, AMERICAN OR
INTERNATIONAL, REACTION. IF TRUE STORY GETS PRINTED,
IT IS MY OPINION THAT BLAME WILL SOMEHOW BE TURNED
AGAINST USA AND QUOTE UNSCRUPULOUS ADVENTURERS WISHING
TO TAKE KENYAN RICHES FROM THEM BY ILLEGAL MEANS UNQUOTE.
RGARDING ACTION WE CAN TAKE TO PREVENT THIS, NO KENYAN
OFFICIAL HAS APPARENTLY THUS FAR (WITH REMOTE POSSIBLE
EXCEPTION OF MUNGAI) BEEN WILLING TO TAKE MATTER TO
PRESIDENT, PARTLY BECAUSE THEY WERE/ARE INVOLVED,
PARTLY BECAUSE THEY KNOW KENYATTA IS INVOLVED AND WILL
UNDOUBTEDLY DEFEND HIS ACTION (ALTHOUGH NOT NECESSARILY
RATIONALLY). AFTER SEEING OMAMO, WHICH MAY HELP PROVIDE
SOME DETAILS AND POSSIBLY SUBSTANTIATION ON ACTION TAKEN,
I BELIEVE RECONSIDERATION OF OUR PREVIOUS POSITION ON
SEEING KENYATTA IS IN ORDER. IF I DO SEE HIM, IT WOULD
BE FOR TWO-FOLD REASON: (1) TO SUBSTANTIATE TO BOTH
BUSINESS COMMUNITY AND TO SAUL THAT EMBASSY HAS TAKEN
EVERY ACTION POSSIBLE IN THIS CASE; (2) TO POINT OUT
TO KENYATTA THAT SUCH PRECIPITOUS ACTION PARTICULARLY
WITHOUT EMBASSY CONSULTATION IS LIKELY TO AFFECT ADVERSELY
BUSINESS INTEREST/ RELATIONS WITH KENYA. ESPECIALLY IF
PRESS PUBLISHES STORY.

7 DEPARTMENT'S COMMENTS AND GUIDANCE WOULD BE
APPRECIATED.
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PAGE 04 NAIROB 05428 281248Z

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Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

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Draft Date: 28 JUN 1974
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Decaption Note: 25 YEAR REVIEW
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Disposition Approved on Date:
Disposition Authority: blochd0
Disposition Case Number: n/a
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US Department of State
EO Systematic Review
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TAGS: BDIS, CPRS, PINS, KE, US, (SAUL)
To: STATE
Type: TE
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